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SC PUBLIC SERVICE  
COMMISSION

526 S. Church St.  
Charlotte, N.C. 28202

Phillip O. Stillman, General Manager

Duke Energy Carolinas  
EC06E / P.O. Box 1006  
Charlotte, N.C. 28201-1006

704 382-8070

704 382-7939 fax

2006-268E  
238798

August 28, 2012

Jocelyn Boyd  
Chief Clerk and Administrator  
Public Service Commission of South Carolina  
Post Office Drawer 11649  
101 Executive Center Drive, Suite 100  
Columbia, South Carolina 29211

Dear Ms. Jocelyn Boyd:

Enclosed is the quarterly report of Duke Energy Carolinas, LLC  
for the twelve months ending June 30, 2012. Please feel free to  
call me at (704) 382-8070.

Sincerely,

Phillip O. Stillman  
Regulatory Accounting and Planning

Enclosure

cc: Mr. Dukes Scott  
Executive Director  
Office of Regulatory Staff

Mr. John Flitter  
Director, Electric & Gas Regulation  
Office of Regulatory Staff

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CERTIFICATION

South Carolina

2012 AUG 31 AM 9:21  
(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

I, Clark S. Gillespy, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Carolinas, LLC, as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

Clark S. Gillespy  
Signature of President

Clark S. Gillespy  
Typed or Printed Name of Person Signing

State President, Duke Energy South Carolina  
Title

08/24/12  
Date Signed

Subscribed and sworn to before me this 24 day of August, 2012.

Kim V. Beal  
Notary Public

My Commission Expires: October 24, 2014

CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

I, Steve K. Young, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Carolinas, LLC, as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

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2012 AUG 30

SC PUBLIC SERVICE COMMISSION

Steve K. Young

Signature of Person Making Verification

Steve K. Young

Typed or Printed Name of Person Signing

VP, Chief Accounting Officer & Controller

Title

8/29/12

Date Signed

Subscribed and sworn to before me this 29 day of August, 2012.

Kim V. Beal

Notary Public

My Commission Expires: October 24, 2014

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjs. (a) (Col. 3)	As Adjusted (Col. 4)
1	Electric Operating Revenue	\$ 6,427,996	23.8061%	\$ 1,530,258	\$ 62,130	\$ 1,592,387
2	Electric Operating Expenses:					
3	Operation and Maintenance:					
4	Fuel Used in Electric Generation	1,461,367	25.6107%	374,267	(1,107)	373,160
5	Purchased Power and Net Interchange	324,839	25.6438%	83,301	(222)	83,079
6	Wages, Benefits, Materials, etc.	1,749,322	24.2417%	424,065	10,017	434,082
7	Depreciation and Amortization	853,733	24.2113%	206,700	41,835	248,535
8	General Taxes	349,524	20.7152%	72,405	9,767	82,172
9	Interest on Customer Deposits	6,163	11.4717%	707	(1)	706
10	Income Taxes	535,712	21.4384%	114,848	(2,697)	112,151
11	Amortization of Investment Tax Credit	(6,867)	23.7076%	(1,628)	5	(1,623)
12	Total Electric Operating Expenses	5,273,793	24.1698%	1,274,665	57,597	1,332,262
13	Operating Income	\$ 1,154,203	22.1446%	\$ 255,593	\$ 4,533	\$ 260,126
14	Add: Customer Growth Adjustment				768	768
15	Income for Return			\$ 255,593	\$ 5,301	\$ 260,894
16	Original Cost Rate Base (b)			\$ 3,897,781	\$ 73,657	\$ 3,971,438
17	Rate of Return on South Carolina Retail Rate Base			6.56%		6.57%

Notes: (a) From Page 3, "Total Adjustments" line.

(b) From Page 4, Line 12.

Line No.	Description	Total Company Capitalization June 30, 2012				South Carolina Retail			
		Per Book Embedded		Per Book Embedded		Per Book Embedded		Pro Forma Embedded	
		Amount (Col. 1)	Ratio (Col. 2)	Retail Rate Base (Col. 3)	Cost/Return % (Col. 4)	Operating Income (Col. 5)	Retail Rate Base (Col. 6)	Cost/Return % (Col. 7)	Operating Income (Col. 8)
1	Long-Term Debt	\$ 8,095,094	44.86%	\$ 1,748,545	5.38%	\$ 94,072	\$ 1,781,587	5.38%	\$ 95,849
2	Preferred Stock	-	0.00%	-	0.00%	-	-	0.00%	-
3	Members' Equity	9,950,282	55.14%	2,149,236	7.52%	161,521	2,189,851	7.54%	165,045
4	Total	\$ 18,045,376	100.00%	\$ 3,897,781 (a)		\$ 255,593 (b)	\$ 3,971,438 (c)	(e) (f)	\$ 260,894 (d)

Notes: (a) From Page 4, Line 12, Column 2.

(b) From Page 1, Line 15, Column 2.

(c) From Page 4, Line 12, Column 4.

(d) From Page 1, Line 15, Column 4.

(e) If adjusted for weather, this rate would be 7.74%.

(f) Includes pre-tax non-firm wholesale sales profits for the total system of approximately (\$0) million for the 12 months ended 06/30/12.  
Net of tax South Carolina Retail allocation of profits amounts to approximately (\$0) million.

DETAIL OF ACCOUNTING ADJUSTMENTS - SOUTH CAROLINA RETAIL  
 SC Quarterly for June 30, 2012  
 (Thousands of Dollars)

Line No.	Description	Electric Operating Revenue (Col. 1)	Fuel Used in Electric Generation (Col. 2)	Purchased Power and Net Interchange (Col. 3)	Wages Benefits Materials Etc. (Col. 4)	Depreciation and Amortization (Col. 5)	General Taxes (Col. 6)	Interest on Customer Deposits (Col. 7)	Income Taxes (Col. 8)	Amortization of ITC (Col. 9)	Net Operating Income (Col. 10)
1	To Annualize Depreciation on Year-End Plant	\$ -	\$ -	\$ -	\$ -	\$ 3,974	\$ -	\$ -	\$ (1,552)	\$ -	\$ (2,422)
2	To Annualize Wage Rate Increase	-	-	-	(165)	-	310	-	(57)	-	(88)
3	To Eliminate Voluntary Opportunity Plan and Office Consolidation Deferral	-	-	-	20,598	-	-	-	(8,044)	-	(12,554)
4	To Annualize Property Taxes on Year-End Plant	-	-	-	-	-	3,854	-	(1,505)	-	(2,349)
5	To Reflect CMP Closings to Plant	-	-	-	-	29,274	5,589	-	(13,616)	-	(21,247)
6	To Adjust Income Taxes to Reflect Interest Synchronization	-	-	-	-	-	-	-	(3,527)	-	3,527
7	To Annualize Rate Case Increase	54,159	-	-	-	-	246	-	21,055	-	32,858
8	To Annualize Amortization of Deferral Balance Related to Cliffside Unit 5 Scrubber	-	-	-	-	3,374	-	-	(1,318)	-	(2,056)
9	To Annualize Operating Costs for Cliffside Unit 5 Scrubber	-	-	-	317	-	-	-	(124)	-	(193)
10	To Annualize Amortization of Rate Case Costs	-	-	-	-	9	-	-	(4)	-	(5)
11	To Annualize Amortization of Voluntary Opportunity Plan Costs	-	-	-	-	4,587	-	-	(1,791)	-	(2,796)
12	To Annualize Amortization of Pension Settlement Costs	-	-	-	-	334	-	-	(130)	-	(204)
13	To Eliminate Progress Merger Costs to Achieve	-	-	-	(9,228)	-	-	-	3,604	-	5,624
14	To eliminate unbilled revenue adjustment	9,159	-	-	-	-	-	-	3,577	-	5,582
15	To Annualize Depreciation of Buck and Bridgewater Deferred Costs	-	-	-	-	964	-	-	(376)	-	(588)
16	To Exclude Greenwood Operations	(1,188)	(1,107)	(222)	(1,505)	(681)	(232)	(1)	1,111	5	1,444
17	Total Adjustments	\$ 62,130	\$ (1,107)	\$ (222)	\$ 10,017	\$ 41,835	\$ 9,767	\$ (1)	\$ (2,697)	\$ 5	\$ 4,533

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Electric Plant in Service	\$ 29,311,370		\$ 6,756,373	\$ 918,934	\$ 7,675,307
2	Less: Accumulated Depreciation and Amortization	(12,962,276)		(2,904,409)	(33,248)	(2,937,657)
3	Net Electric Plant	16,349,094		3,851,964	885,686	4,737,650
4	Add: Materials and Supplies	1,036,487		255,615	(48,725)	206,890
5	Working Capital Investment	1,141,909		262,216	-	262,216
6	Plant Held for Future Use	4,440	25.2312%	1,120	-	1,120
7	Less: Accumulated Deferred Taxes	(4,188,907)	24.1775%	(1,012,771)	(110,997)	(1,123,768)
8	Operating Reserves	(202,373)	39.7711%	(80,486)	-	(80,486)
9	Customer Deposits	(98,101)		(21,170)	-	(21,170)
10	Greenwood				(11,014)	(11,014)
11	Construction Work in Progress	2,901,734		641,293	(641,293)	-
12	Total Original Cost Rate Base	\$ 16,944,283		\$ 3,897,781	\$ 73,657	\$ 3,971,438

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$ 15,243,675		\$ 3,377,174	\$ 802,328	\$ 4,179,502
2	Transmission	2,750,309	18.2718%	502,530	20,262	522,792
3	Distribution (b)	9,132,171	25.5654%	2,334,675	79,346	2,414,021
4	General	722,810	24.0891%	174,119	4,770	178,889
5	Intangible	451,259	23.7005%	106,950	12,228	119,178
6	Subtotal	28,300,224	22.9519%	6,495,448	918,934	7,414,382
7	Nuclear Fuel	1,011,146	25.8049%	260,925		260,925
8	Total Electric Plant in Service	\$ 29,311,370 (a)		\$ 6,756,373	\$ 918,934	\$ 7,675,307

Notes: (a) Excludes asset retirement obligations, electric plant held for future use, electric plant acquisition adjustments, and other electric plant adjustments of (\$83,795) thousand; includes investment in Appendix J Progam Owners's Group (APOG) of \$1,577 thousand.  
(b) The accounting adjustment in Col. 3 reflects plant in service additions not related to customer growth.



Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$ 6,751,091		\$ 1,364,418	\$ 33,535	\$ 1,397,953
2	Transmission	1,204,587	18.2053%	219,298	1,018	220,316
3	Distribution	3,946,650		1,046,465	81	1,046,546
4	General	166,083	33.0581%	54,904	(1,776)	53,128
5	Intangible	330,102	22.3708%	73,846	390	74,236
6	Subtotal	12,398,513	22.2521%	2,758,931	33,248	2,792,179
7	Nuclear Fuel	563,763	25.8049%	145,478		145,478
8	Total Accumulated Depreciation and Amortization	\$ 12,962,276 (a)		\$ 2,904,409	\$ 33,248	\$ 2,937,657

The annual composite rates for computing depreciation (straight-line method) are shown below.

9	Steam Production Plant	3.76%
10	Steam Production Plant-Specific	14.73%
11	Nuclear Production Plant (Excl. Nuclear Decommissioning)	2.72%
12	Hydro Production Plant	1.87%
13	Combustion Turbine Production Plant	2.97%
14	Solar Production Plant	2.97%
	Transmission Plant:	
15	Right-of-Way	1.30%
16	Other	2.12%
17	Distribution Plant	2.22%
18	General Plant	Various
19	Land Rights	0.64% - 8.58%
20	Intangible Plant	20.00%

Note: (a) Excludes accumulated amortization of electric plant acquisition adjustment and accumulated depreciation related to asset retirement obligations totaling (\$22,704) thousand and reclassifies cost of removal and other deferred credits to increase accumulated depreciation by \$1,547,473 thousand.

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
Fuel Stock:						
1	Coal	\$ 484,220	25.8049%	\$ 124,952	\$ (48,725)	\$ 76,227
2	Oil	38,712	25.8049%	9,990	-	9,990
3	Total Fuel Stock	522,932	25.8049%	134,942	(48,725)	86,217
4	Other Electric Materials and Supplies & Stores Clearing	513,555	23.4976%	120,673	-	120,673
5	Total Materials and Supplies	\$ 1,036,487		\$ 255,615	\$ (48,725)	\$ 206,890
=====						

Note: (a) Adjustment to per book coal inventory balance to reflect target inventory level.

Coal Inventory Target Level (in tons)	2,970		
Price per Ton - Coal	\$ 99.46		
Total Company Pro Forma Inventory	\$ 295,396	25.8049%	76,227
Per Book Coal Inventory			124,952
Coal Adjustment			\$ (48,725)
=====			

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Twelve Months Operating and Maintenance Expenses, Exclusive of Purchased Power and Nuclear Fuel Expense	\$ 2,998,870		\$ 743,568	-	\$ 743,568
		=====		=====	=====	=====
2	1/8 of O&M Expenses on Line 1	\$ 374,859		\$ 92,946		\$ 92,946
3	Less: Average Taxes Accrued	(36,725)		(16,924)	-	(16,924)
		-----		-----	-----	-----
4	Subtotal	338,134		76,022	-	76,022
5	Required Bank Balances	340	23.6129%	80	-	80
6	Bond Reacquisition Premiums	115,094	17.1469%	19,735	-	19,735
7	Pension Funding	657,115	24.1839%	158,916	-	158,916
8	Prepayments	31,226	23.8987%	7,463	-	7,463
		-----		-----	-----	-----
9	Total Working Capital Investment	\$ 1,141,909		\$ 262,216	\$ -	\$ 262,216
		=====		=====	=====	=====

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$ 3,564,988	23.8987%	\$ 851,987	\$ -	\$ 851,987
2	Transmission	162,196	18.2026%	29,524	-	29,524
3	Distribution	67,733	25.5654%	17,316	-	17,316
4	General	28,850	24.0891%	6,950	-	6,950
5	Intangible	304,205	23.7005%	72,098	-	72,098
6	Total Construction Work in Progress	<u>\$ 4,127,972</u> =====		<u>\$ 977,875</u> =====	<u>\$ -</u> =====	<u>\$ 977,875</u> =====

Line

No. Description

Twelve Months Ended 30-Jun-2012

1	SEC Fixed Charges Coverage	3.96
2	Earnings per Share	\$3.36

Line No.	Description	Total Company (a)	Wholesale Jurisdiction (b)	% of Total (c)	N.C. Retail (d)	% of Total (e)	S.C. Retail (f)	% of Total (g)
<u>Operating Revenues (\$000s)</u>								
1	Residential	\$ 2,569,629			\$ 1,972,391	76.7578%	\$ 597,238	23.2422%
2	Commercial	2,066,824			1,631,398	78.9326%	435,426	21.0674%
3	Industrial	1,140,804			696,097	61.0181%	444,707	38.9819%
4	Public Street & Highway Lighting				34,827	85.0435%	6,125	14.9565%
5	Interdepartmental	40,952			-	0.0000%	-	0.0000%
6	Sales for Resale:	-						
7	Special Contract	321,465	\$ 306,471	95.3357%	14,219	4.4232%	775	0.2411%
8	Other	-	-	0.0000%				
9	Total Revenue from Sales of Electricity	\$ 6,139,674	\$ 306,471	4.9917%	\$ 4,348,932	70.8333%	\$ 1,484,271	24.1751%
<u>Kilowatthour Sales (000s)</u>								
10	Residential	26,685,447			20,362,224	76.3046%	6,323,223	23.6954%
11	Commercial	27,490,285			21,818,932	79.3696%	5,671,353	20.6304%
12	Industrial	20,934,983			12,229,141	58.4149%	8,705,842	41.5851%
13	Public Street & Highway Lighting	287,723			246,326	85.6122%	41,397	14.3878%
14	Interdepartmental	-			-	0.0000%	-	0.0000%
15	Sales for Resale:							
16	Special Contract	5,312,951	5,065,141	95.3357%	235,002	4.4232%	12,810	0.2411%
17	Other	-	0	0.0000%				
18	Total KWH Sales	80,711,390	5,065,141	6.2756%	54,891,626	68.0098%	20,754,625	25.7146%
<u>Revenue Per KWH Sold (Cents)</u>								
19	Residential	9.63			9.69		9.45	
20	Commercial	7.52			7.48		7.68	
21	Industrial	5.45			5.69		5.11	
22	Public Street & Highway Lighting	14.23			14.14		14.80	
23	Interdepartmental	0.00			0.00		0.00	
24	Sales for Resale:							
25	Special Contract	6.05	6.05		6.05		6.05	
26	Other	0.00	0.00					
27	Total Revenue per KWH Sold	7.61	6.05		7.92		7.15	